

COOK, YANCEY, KING & GALLOWAY
A PROFESSIONAL LAW CORPORATION
333 TEXAS STREET, SUITE 1700
POST OFFICE BOX 22260
SHREVEPORT, LOUISIANA 71120-2260
www.cykg.com

J. William Fleming

Writer's Direct
(318) 227-7724
fleming@cykg.com

July 11, 2005

TELEPHONE (318) 221-6277

TELECOPIER (318) 227-7850

When calling relative to this
matter, refer to file No. 1262.

Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

**RE: Hosston Zone, Reservoir A
Cotton Valley Formation, Reservoir A
Elm Grove Field
Caddo and Bossier Parishes, Louisiana**

APPLICATION FOR PUBLIC HEARING

Dear Sir:

KCS Resources, Inc. hereby makes application pursuant to the revised rules of procedure for a public hearing to consider evidence relating to the following matters pertaining to the Hosston Zone, Reservoir A, and the Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana:

1. To authorize KCS Resources, Inc. to drill, complete and utilize three additional alternate unit wells on HOSS RA SU63 and CV RA SU69, two of which are at exceptional locations in Section 9-T15N-R12W, Caddo Parish, Louisiana, as shown on the attached plats;
2. To authorize the unit allowable for these Hosston Zone, Reservoir A, and Cotton Valley Formation, Reservoir A, units to be recovered from the any of the wells located on the units, at the discretion of the operator; and
3. To consider and cover such other matters as the Commissioner of Conservation may deem appropriate and necessary under the circumstances.

The Hosston Zone, Reservoir A, in the Elm Grove Field, Caddo, Bossier, Webster and Bienville Parishes, Louisiana, was defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972, and was further defined in subsequent orders of the Orders of the 361-A Series of Orders.

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The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo, Bossier, Webster and Bienville Parishes, Louisiana, was defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and was further defined in subsequent Orders of the 361-B Series of Orders.

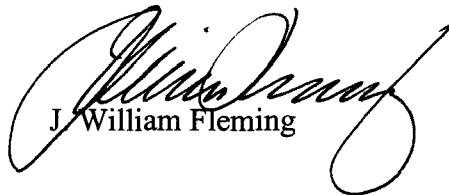
The subject matter of this application does not require the issuance of a Pre-Application Notice.

Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Mr. Kelly Byram, 400 Travis Street, Suite 1309, Shreveport, Louisiana 71101, at telephone number (318) 425-4789.

The attached list includes the names of all Interested Owners, Represented Parties and Interested Parties known to Applicant after a diligent search and a copy of this application, with plats attached, is being sent to each such party. Pursuant to Office of Conservation regulations, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be provided to any person requesting a copy of it. Also enclosed are the application fees.

Yours very truly,

COOK, YANCEY, KING & GALLOWAY

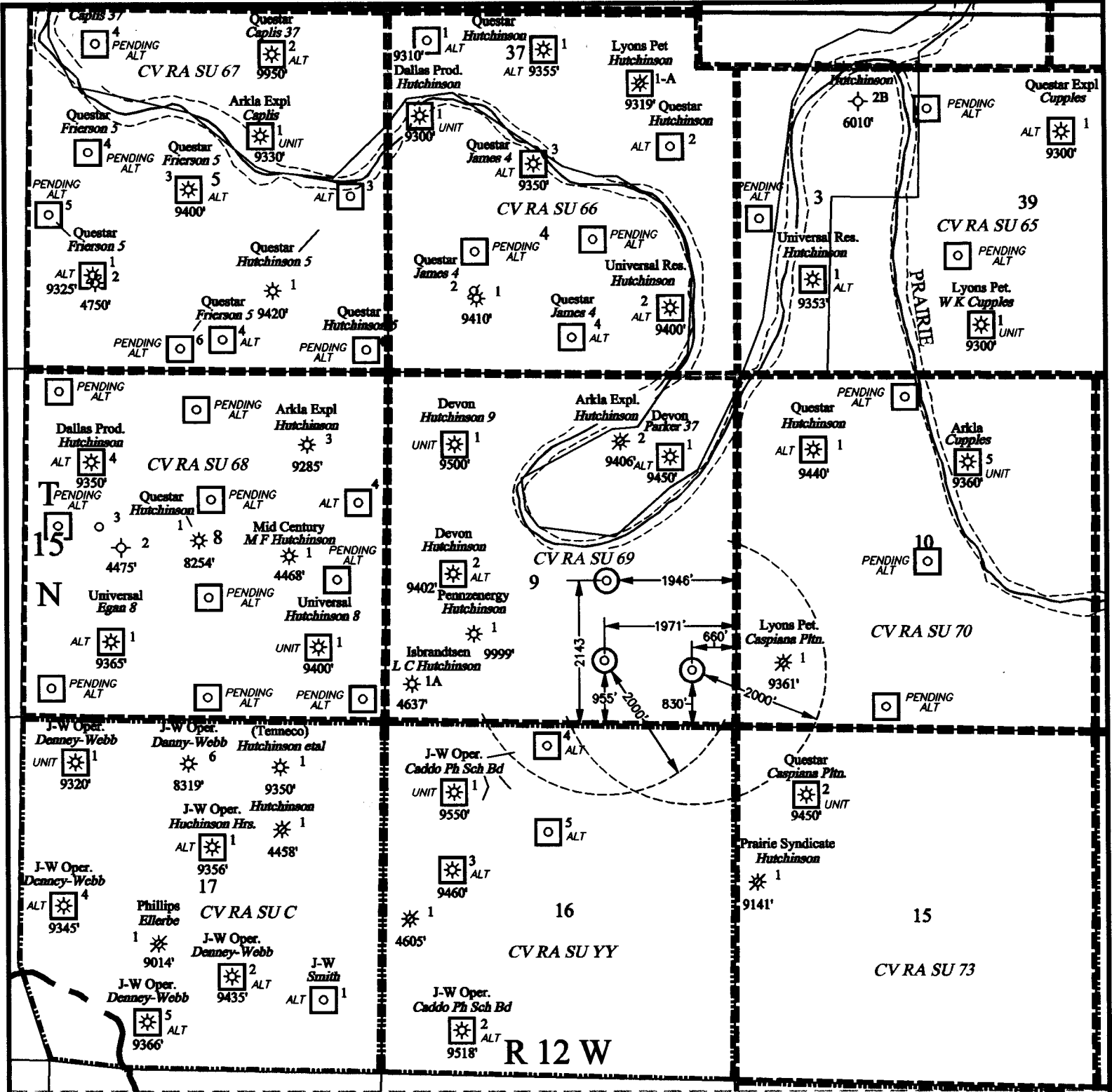


J. William Fleming

jwf:s

Enclosures

cc: James C. Broussard, District Manager
Interested Owners, Represented
Parties and Interested Parties



KCS RESOURCES, INC.
TULSA, OKLAHOMA

ELM GROVE FIELD
CADDO PARISH, LOUISIANA

**PROPOSED ALTERNATE UNIT WELLS
AT EXCEPTIONAL LOCATION FOR
COTTON VALLEY RESERVOIR A SAND UNIT 69**